

NEW LOOK

24 March 2020

COVID-19 and Business Update

New Look Retail Holdings Limited (“New Look” or “the Company”) today provides a business update on the ongoing situation regarding COVID-19.

Our customers and colleagues

During this unprecedented situation and uncertainty, our priority is the health, safety and wellbeing of our customers and colleagues. To keep our customers and colleagues safe, as already announced, on Saturday 21st March we made the decision to temporarily close all our 480 stores in the UK. All our 28 stores in the Republic of Ireland were temporarily closed from Friday 20th March. The Company’s online and third-party sales channels remain open as usual and deliveries to home and Collect+ locations remain available to our customers.

Current trading and outlook

In light of the rapidly evolving nature of the COVID-19 outbreak, any guidance previously given needs to be reviewed in light of the changing circumstances but we are unable to provide updated guidance for FY20 and beyond at this time due to ongoing uncertainty.

The Company is focused on preserving cash, maximising liquidity, managing working capital and reducing costs. Proactive and immediate actions taken to date include, but are not limited to:

- Significantly reducing marketing costs
- Requesting a 3-month rent holiday from landlords
- Pausing all production, to be reviewed as the situation evolves and in response to demand
- Delaying all significant capex projects
- Halting all recruitment

The Company notes the measures of support outlined by the Government and Bank of England, and is actively pursuing the relevant channels to secure a business rates exemption for 12 months, employee cost support, deferral of tax and national insurance payments, and gaining access to the Covid Corporate Financing Facility. To the extent that such measures can be implemented, it is expected that they would significantly improve our cash management.

Following the Company’s financial restructuring completed in May 2019 and the actions taken to help achieve financial and operational stability during its turnaround plan since, the Company entered the COVID-19 outbreak with strengthened liquidity. The Company has no near-term maturities on its long-term debt funding, which matures in 2024, and has the ability to toggle cash interest to PIK to provide additional debt servicing flexibility.

Nigel Oddy, Chief Executive Officer, said:

“Our absolute priority is to keep our customers and colleagues safe, which underlined our decision to temporarily close our stores in advance of Government advice to do so. Given the unprecedented circumstances that we - like all retailers - are operating in, we have taken a range of decisive and immediate actions to help us navigate through the coming period.

“We are confident that a combination of these ongoing actions, the significant financial and operational progress we have made over the past two years with our turnaround plan, and the strength of our brand mean that we will be well positioned to return to growth when a more normalised operating environment resumes.”

- Ends -

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About New Look

New Look is a leading multichannel retailer operating in the value segment of the clothing and footwear market in the United Kingdom ("UK") and Republic of Ireland ("ROI"). We focus on delivering value for money and 'newness', wherever, whenever and however customers choose to engage with us. The New Look brand has high levels of awareness and recognition in the affordable womenswear market, catering to a broad customer audience with our bullseye customers aged 25 to 45 years. We also have a range for teen girls and an online menswear offer. We are the number 2 UK Womenswear retailer for women aged 18 to 44 by value¹.

¹ Based on Kantar Worldpanel published data 24 weeks to 15 December 2019